

FORM 128, USE PREVIOUS
EDITIONS

MFG. 9-66

CLASSIFIED MESSAGE

DATE

S E C R E T

ROUTING

1	CMD	9	DDISA
2	"	10	R&D
3	FOD	11	
4	Compt	12	
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7	RB	15	
8	DISA	16	

TO :

FROM :

ACTION:

INFO :

IN: 62912

TO

INFO

CITE

S E C R E T 271843Z CITE [] 6802 25X1A

25X1A [] INFO [] 25X1A

IDEALIST

ATTENTION: []

25X1A REFERENCE: [] PROPOSAL ON SP-1928 DATED 27 DECEMBER 1966

WE HAVE STUDIED YOUR PROPOSAL FOR ESTABLISHING A TARGET PRICE

25X1A OF [] AND A CEILING OF [] FOR CONTRACT SP-1928.

25X1A ANALYSIS INDICATES THAT THE TARGET COST WE NOW FORECAST HAS

25X1A RISEN FROM THE [] WHICH WAS BASED ON COSTS INCURRED

25X1A AS OF OCTOBER 1966, TO [] BASED ON COSTS AS OF THIS DATE.

THE CHIEF REASON FOR THIS COST INCREASE IS THE RATE CHANGE

RESULTING FROM LOSS OF THE SST. A FURTHER CONTRIBUTING FACTOR HAS

BEEN ADDED WORK WHICH WAS NOT INCLUDED IN THE ORIGINAL SCOPE; E.G.

REWORK OF FUNCTIONAL EQUIPMENT THE NEED FOR WHICH WAS UNCOVERED DURING

MODIFICATION, REPLACEMENT OF FORWARD AND AFT FUSELAGE RINGS IN

ARTICLES 368 AND 374, AS A RESULT OF HARD LANDINGS, AND A

SCHEDULE STRETCH ON ARTICLE 374 IN CONNECTION WITH INSTALLATION OF

HIRAM/SYS 22.

S E C R E T

GROUP 1
EXCLUDED FROM AUTO-
MATIC DOWNGRADING

25X1A

IN: 62912

[REDACTED]

6802

S E C R E T

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WHEN THE ABOVE FACTS ARE COUPLED WITH THE UNKNOWNNS INVOLVED IN
MODIFYING THE TWO-PLACE AIRPLANE, WHICH IS JUST STARTING
IN WORK WITHOUT PRIOR TWO-PLACE EXPERIENCE, WE WOULD LIKE TO PROPOSE
THAT THIS MATTER BE SETTLED AS FOLLOWS:

25X1A

TARGET COST

[REDACTED]

PERCENT)

PROFIT

TARGET PRICE

[REDACTED]

25X1A

CEILING

[REDACTED]

25X1A

WE BELIEVE THIS PROPOSAL MEETS THE AIMS OF YOUR COUNTER OFFER AND,
AT THE SAME TIME, ESTABLISHES A MID-POINT BETWEEN THE VARIABLES THAT IS
EQUITABLE TO BOTH OF US. FOR YOUR INFORMATION, THE MONTHLY
EXPENDITURE CHARTS SUBMITTED SINCE LAST OCTOBER HAVE BEEN
SOMEWHAT MISLEADING IN VIEW OF THE FACT THAT OUR DECEMBER PROPOSAL WAS
BASED ON A DOWNWARD ADJUSTMENT TO THE COST BASE THAT RECENT CHARTS
HAVE NOT SHOWN. THE FEBRUARY CHART HAS BEEN REVISED TO SHOW
THE RELATIONSHIP BETWEEN ACTUALS AND FORECASTED COSTS
MORE ACCURATELY.

PLEASE ADVISE IF THIS PROPOSAL MEETS WITH YOUR APPROVAL.

S E C R E T TOR: 271833Z MAR 67